

December 20, 2010 For Immediate Release

Contact: Sheila Manchester Coniff, 802-828-5896

Email: sheila.coniff@state.vt.us

MEALS AND LODGING ALLOWANCE INCREASE

Montpelier, VT... The Department of Labor announced the state allowed deductions for employer provided meals and lodging allowance will be increasing on January 1, 2011. An employer shall be entitled to deduct from the wages earned, an allowance for meals and lodging actually furnished and accepted. The original allowances and the increased rates are as follows:

Breakfast \$2.75 daily
Lunch \$3.08 daily
Dinner \$3.43 daily
Full Board \$9.26 daily or \$64.83 per week

Nightly Lodging \$3.77 daily
Full Room \$22.68 weekly
Full room and Board \$78.33 per week

Vermont's room and board allowance, like the minimum wage, increases at the same rate as the Consumer Price Index (CPI), as calculated in August, for the preceding year. This August, the CPI increased by one and one tenth percent (1.1%). Effective January 1, 2009, and on each January 1 thereafter, the meals and lodging rates shall increase by five percent or the percentage increase of the Consumer Price Index, CPI-U, U.S. city average, not seasonally adjusted, or successor index, as calculated by the U.S. Department of Labor or successor agency for the 12 months preceding the previous September 1, whichever is smaller. Since this is the first time since January 1, 2009 the CPI increased, this is the first increase of the meals and rooming allowance.

At this time the Vermont Department of Labor would also like to remind workers and employers that the state's minimum wage rate will also be increasing as of January 1st. The new state minimum wage will be \$8.15 per hour and the basic wage rate for "service and tipped" employees will be \$3.95. Service or tipped employees are individuals working in hotels, motels, tourist places, and restaurant who customarily and regularly receive more than **\$120.00** a month in tips for direct and personal service.

Posters with the room and board rates, as well as the new minimum wage rates may be obtained from Labor's website under the "News" section found at www.labor.vermont.gov.

Anyone with a question about the meals and rooming allowance or other wage and hour regulations impacting Vermont's workforce may visit the Department of Labor online at www.labor.vermont.gov or contact the Department of Labor, Wage and Hour program at 802-828-0267.

For further questions about this release, please contact: Sheila Manchester Coniff, Performance and Compliance Unit Chief at (802) 828-5896.